

State of Michigan
Department of Treasury

Michigan State Hospital Finance Authority

ANNUAL REPORT
2006

Michigan State Hospital Finance Authority

Authority Mission Statement

The Michigan State Hospital Finance Authority will provide low cost capital financing to non-profit providers of health care services that participate in any phase of the continuum of health care.

The Authority Finance Division as part of the Bureau of Bond Finance in the Michigan Department of Treasury provides financial and administrative support services on behalf of the Authority to assist with achieving these goals.

Bureau of Bond Finance Mission Statement

The Bureau of Bond Finance will achieve and maintain access to the financial market at the lowest cost to the citizens of Michigan on behalf of:

- Hospitals and their patients
- Higher education students and their families
- Private colleges and their students
- Public school academies and their students
- Public schools and their taxpayers
- Municipalities and their taxpayers
- The State-at-large for environmental, recreational, and other specific-voter approved projects
- The State for cash flow financing for operating purposes.

Vision

- We are committed to fair, consistent, and courteous customer service.
- We have the training, technology, and tools to meet customer needs.
- We provide low-cost financing in order for cities and communities to be magnets for economic opportunities, with high quality education and healthcare.
- We are a division where public service and service to others is exalted.

Values

- Integrity: Michigan's schools, colleges, universities, municipalities, and healthcare providers; along with bond counsel, financial advisors, and underwriters know that they can depend upon the Authority Finance Division to follow through on their commitments.
- Excellence: The Authority Finance Division is committed to providing increasingly effective, low-cost financing to protect the interests of the citizens of Michigan.
- Teamwork: The Authority Finance Division will work together to provide effective, low-cost financing to Michigan's schools, colleges, universities, municipalities, and healthcare providers.
- Pride: In our achievements.

MSHFA Authority Members

The Michigan State Hospital Finance Authority is comprised of seven members. The Governor with the advice and consent of the Senate appoints five members, and the State Treasurer and the Director of the Department of Community Health serve as members by virtue of their appointed offices. All members of the Authority are appointed for four-year terms and serve without compensation but are entitled to reimbursement of expenses incurred in the performance of their duties under the Act. The present membership of the Authority is as follows:

Susan W. Martin, Ph.D., Chair

Asad M. Malik, Vice Chair

Linda E. Bloch

Dorothy “Dottie” E. Deremo

Robert J. Kleine, State Treasurer

Janet Olszewski, Director, Department of Community Health

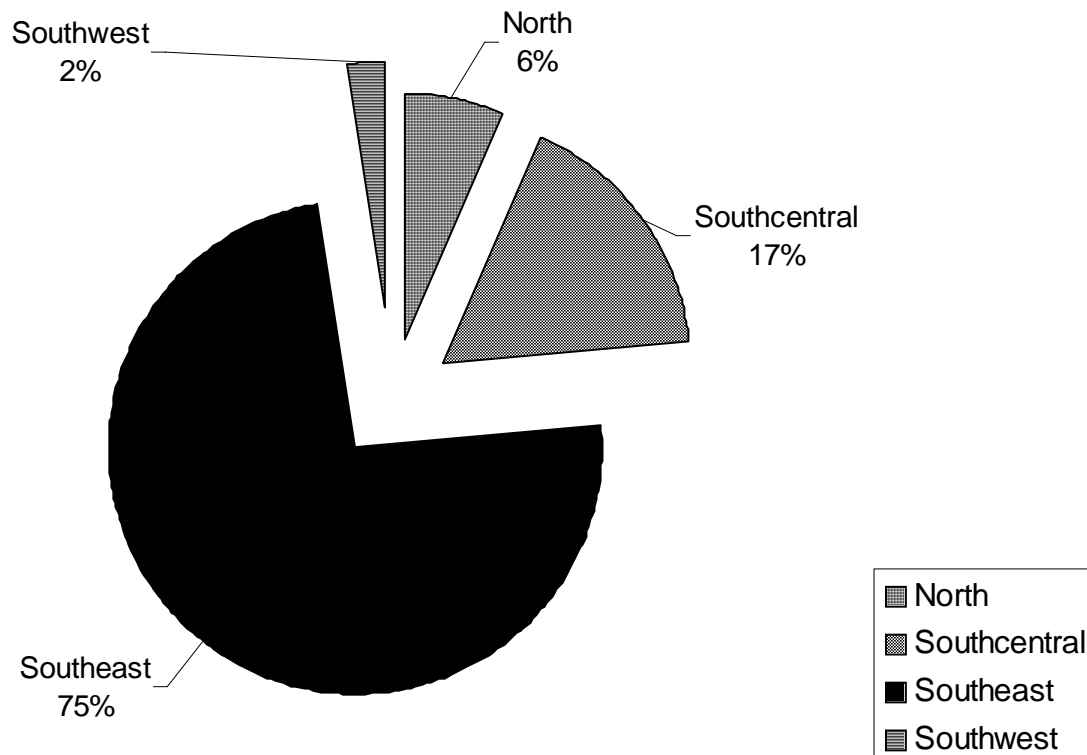
Lois Shulman

Michigan State Hospital Finance Authority

In 2006 the Michigan State Hospital Finance Authority (MSHFA) issued \$938 million in long-term healthcare bonds including \$30 million of MSHFA's Healthcare Equipment Loan Program (HELP) bonds. The issuance of these bonds allowed MSHFA to close loans totaling \$946 million; a portion of which will be funded with future HELP bond issues. Projects included construction, renovation, the acquisition of equipment, and refinancing. Bond issues financed the renovation and expansion of an emergency department, acquisition of land, the construction and equipping of an acute care hospital facility, the purchase of scanners and MRI equipment, and various capital projects throughout Michigan.

In addition to assisting large integrated health delivery systems, MSHFA has also been able to assist a broader range of smaller healthcare providers through its HELP bond issues. HELP has been an effective means for small providers and large providers with small projects to efficiently access the public tax-exempt bond market. In 2006 MSHFA issued \$30 million in HELP bonds and closed fourteen loans totaling \$37 million.

2006 Projects Financed by Region



Michigan State Hospital Finance Authority
2006 Loan Summary

Michigan Region	Hospital	Loan Amount
North		
	Marquette General Hospital	\$37,000,000
	* Keweenaw Memorial II	1,000,000
	* Grand View Health System II	740,000
	Munising Memorial Hospital	14,200,000
Southcentral		
	Mid Michigan MRI	3,000,000
	MidMichigan Obligated Group	81,240,000
	Oaklawn Hospital	37,800,000
	* Pennock Hospital IV	11,500,000
	* Sheridan Community Hospital	2,910,000
Southeast		
	Botsford General Hospital	3,000,000
	* Flint Health Systems	800,000
	Henry Ford Health System 2006, Series A	391,500,000
	Henry Ford Health System 2006, Series B - C	198,195,000
	* Hillsdale Community Health Center	2,200,000
	* Huron Valley Ambulance II	840,000
	* Mobile Medical Response, Inc. II	1,600,000
	North Ottawa Care Center, Inc.	6,385,000
	* Port Huron Hospital	1,900,000
	Trinity Health	130,680,000
Southwest		
	* Cherry Street Services, Inc.	1,040,000
	* Hackley Hospital	1,700,000
	* Memorial Medical Center of West Michigan III	5,900,000
	* Rest Haven Patrons, Inc.	2,793,428
	* Rest Haven Patrons, Inc. II	2,400,000
	West Michigan Cancer Center	5,979,859
Total		<u>\$946,303,287</u>

***Hospital Equipment Loans (H.E.L.P)**

Michigan State Hospital Finance Authority

Historical Bond Issue Summary

<u>Amount Issued</u>	<u>Year</u>	<u># of Bond Issues</u>
\$22,500,000	1974	1
105,130,000	1975	5
82,905,000	1976	5
96,300,000	1977	3
48,090,000	1978	6
124,647,000	1979	7
219,640,000	1980	9
70,900,000	1981	5
324,570,000	1982	9
113,305,000	1983	8
334,360,000	1984	6
736,186,148	1985	21
271,215,000	1986	6
90,760,000	1987	4
194,765,000	1988	8
262,970,194	1989	6
210,365,000	1990	7
408,715,000	1991	10
509,276,894	1992	13
707,155,000	1993	8
230,338,558	1994	9
470,370,000	1995	12
490,165,000	1996	12
646,740,727	1997	16
912,279,673	1998	17
1,262,625,480	1999	13
529,146,618	2000	12
140,791,079	2001	9
474,195,000	2002	12
982,917,015	2003	18
167,733,955	2004	10
873,851,325	2005	20
938,979,859	2006	24
\$13,053,889,525		331

